

Date of Hearing: April 19, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1958 (Mike Fong) – As Amended March 24, 2022

SUBJECT: The Community College Student Access, Retention, and Debt Cancellation Program

SUMMARY: Establishes the Community College Student Access, Retention, and Debt Cancellation Program to provide fiscal incentives to encourage the enrollment and re-enrollment of students at the California Community Colleges (CCC). Specifically, **this bill:**

- 1) Establishes the Community College Student Access, Retention, and Debt Cancellation Program (CCSARDCP).
- 2) Stipulates funds provided for the CCSARDCP in the annual Budget Act, are to be dispersed by the Office of the Chancellor of the California Community Colleges (CCCCO) to community colleges to support efforts to increase student retention rates and enrollment by engaging with previous, current, or potential community college students who left or are hesitant to enroll due to the impacts of COVID – 19 pandemic.
- 3) Authorizes a community college who receives funds from the CCSARDCP to use the funds to either provide a financial incentive to encourage students to enroll or to forgive any debt or unpaid balance owed by a student to the college.
- 4) Authorizes the CCCCCO to disperse additional funds from the CCSARDCP to community colleges who have observed the most significant percentage declines in enrollment due to the impacts of COVID-19 pandemic.
- 5) Clarifies the CCCCCO may use up to 10% of funds in the CCSARDCP to support statewide recruitment and retention efforts.
- 6) Stipulates the implementation of the CCARSDCP is contingent upon funding in the annual Budget Act.

EXISTING LAW:

- 1) Establishes the CCC under the administration of the Board of Governors of the CCC, as one of the segments of public postsecondary education in this state. The CCC shall be comprised of community college districts (Education Code (EDC) Section 70900).
- 2) Establishes that CCC districts are under the control of a board of trustees, known as the governing board, who has the authority to establish, maintain, operate, and govern one or more community colleges, within its district as specified (EDC Section 70902).
- 3) Authorizes the Board of Governors of the CCC to appoint and compensate a chief executive officers, known as the Chancellor of the CCC (chancellor). The chancellor will execute duties and responsibilities designated to him by the board or by sections of Education Code (EDC Section 71090).

FISCAL EFFECT: Unknown

COMMENTS: *Need for the measure.* According to the author, “the COVID-19 pandemic brought immediate changes to education as a whole, and community colleges have been no exception. As a result of the pandemic, the rates of students enrolling into community college, as well as the rates of those continuing their community college education, have severely declined. The Legislature has already taken meaningful action to reverse these rates, notably with last year’s appropriation of \$120 million toward supporting community colleges’ efforts in bolstering their retention rates and enrollment. Still, we can build upon this investment by expressly addressing the fiscal challenges of education.

To do exactly that, AB 1958 would create the Community College Student Access, Retention, and Debt Cancellation Program (CCSARDCP). This program would provide funding to community colleges for the purpose of encouraging the enrollment or re-enrollment of students at the CCC through fiscal incentives, including the discharging of students’ debt or unpaid balances.”

Enrollment declines at the CCC. In March 2020, Governor Newsom declared a state of emergency and implemented a stay at home order to combat the Coronavirus (COVID – 19). The landscape of higher education dramatically changed as campuses transitioned to distance or online learning and students grappled with the decision of whether to return to college. In the fall of 2020, the California Student Aid Commission (CSAC) published the “Fall 2020 COVID – 19 Student Survey” which examined the experiences of students enrolled in college during the pandemic. The survey results published in June 2021 found 46% of students surveyed reduced their unit loads during the fall 2020 term due to impacts of the pandemic. As of January 2022, the National Student Clearinghouse Research Center found that undergraduate enrollment has declined by 5.1% since fall 2019.

Enrollment data for the last three fall terms as recorded by the California Community Colleges Chancellor’s Office Management Information System Data Mart depicts the following:

<u>Term and Year</u>	<u>Total Student Head Count</u>	<u>Full-time Equivalent Students (FTES)</u>
Fall 2021	1,339,683	424,462
Fall 2020	1,459,681	457,465
Fall 2019 (pre-pandemic)	1,659,399	521,453

Head count is the total number of student taking courses at one of the 116 CCC colleges and FTES is the number of students who take a full course load during an academic semester or quarter. Systemwide since fall 2019 the CCC have lost 319,716 students and 96,991 FTES. According to the California Budget and Policy Center, the decline in FTES students between fall 2019 and fall 2020 represents the largest year over year decrease in over a decade. According to the center, the loss of income due to pandemic related job loss particularly impacted community colleges and subsequently has impacted the enrollment figures at the CCC due to the financial barrier preventing students from enrolling. In collaboration with the California Education Lab, CSAC conducted a survey interviewing students on issues related to college attendance in light

of the pandemic. The results were published in July 2020 and found 2.4% of current college students surveyed said they did not plan on attending college in fall 2020 due to the pandemic and 15% said they wanted to take a break from college due to the pandemic. Financial concerns were pervasive among those surveyed and was sighted as a significant factor in student's decisions to attend college during the pandemic.

2021-2022 Budget Act and 2022-2023 Budget proposal. In the 2021-2022 Budget Act, the State provided the following investments to increase enrollment at CCC:

- \$23.8 million in ongoing funding for .5% enrollment growth; and,
- \$120 million in one-time funds to support efforts to bolster CCC student retention rates and enrollment.

AB 132 (Ting), Chapter 144, Statutes of 2021 clarified the \$120 million allocated for the retention and enrollment of community college students should be primarily used to engage former community college students, who had withdrawn from the college due to the impacts of COVID – 19. The funding was also allocated to encourage current community college students who may be hesitant to continue with their education to persist at the community college. AB 132 (Ting) permitted colleges to use the funds to provide fiscal incentives to students to reenroll or remain enrolled at community colleges while also permitting the Office of the Chancellor of the CCC to allocate additional funds to colleges with the largest loss in enrollment due to the pandemic. Furthermore, AB 132 (Ting) permits the CCCCO to allocate up to 10% for statewide recruitment and retention efforts.

AB 1958 (Mike Fong) utilizes the same language as AB 132 (Ting) and codifies it into Education Code beyond the one-time appropriation through the establishment of the Community College Student Access, Retention, and Debt Cancellation Program.

AB 132 (Ting) also endowed community colleges with the authority to discharge any unpaid fees from students who were impacted by COVID – 19. Specifically, colleges were permitted to use available federal emergency relief funds to pay off student's fee debt and to first waive the unpaid fees of low-income students and students from underrepresented communities. AB 1958 (Mike Fong) would permit any funding provided in the Community College Student Access, Retention, and Debt Cancellation Program to be used to pay off student's unpaid fees. According to the office of the CCCCO, since September 2021, colleges have waived \$34.3 million in resident enrolment fees and \$12.5 million in nonresident enrollment fees with Higher Education Emergency Relief Funds and the COVID-19 Response Block Grant.

The main difference between what was established in AB 132 (Ting) last year and AB 1958 (Mike Fong) is AB 1958 (Mike Fong) would codify a program by which retention and enrollment funds could be allocated each year in the Budget Act, enable state funding to be used to pay off unpaid student fees at the CCC, and establish the authority of administering the program under the purview of the office of the Chancellor of CCC.

Committee comments. Technically under existing code, the Board of Governors is authorized to disperse funds to the community colleges; however, Education Code Section 78221 authorizes the Chancellor of the CCC to disperse funds provided for the purposes of implementing the activities and goals of community college district equity plans. Therefore, there is precedence in

the Education Code for the Chancellor and by extension the Office of the Chancellor to disperse funding for specified purposes to community college districts.

Enrollment data can have various meaning when examining data from the office of the Chancellor of the CCC. There is total student enrollment, FTES, and credit versus non-credit enrolment.

To be precise and to ensure the funding is being dispersed to the CCC with the largest drop in total enrollment, not just FTES enrollment, the Committee has suggested and the author has accepted the following amendments:

(b) ~~Funds appropriated for purposes of the program shall be allocated by the office of the Chancellor of the California Community Colleges~~ The Chancellor of the California Community Colleges shall allocate on a one-time basis to community ~~colleges~~ college districts to support efforts to increase student retention rates and enrollment by engaging former community college students who may have withdrawn from a community college district due to the impacts of the COVID-19 pandemic, current community college students who may be hesitant to remain enrolled at a community college district due to the impacts of the COVID-19 pandemic, and prospective students who may be hesitant to enroll at a community college district due to the impacts of the COVID-19 pandemic.

(c) (1) A governing board of a community college districts shall prioritize allocate funds received pursuant to (b) to community colleges in the district with the largest declines in enrollment due to the impacts of the COVID – 19 pandemic.

(2) A community college district may use funds allocated pursuant to subdivision (b) ~~(a)~~ to provide a fiscal incentive for students to reenroll, or for prospective students to enroll, at the community college.

(3) ~~(2)~~ A community college district may use funds allocated pursuant to subdivision (b) ~~(a)~~ to discharge student debt or unpaid balances owed by a student to a community college in the district.

(d) ~~In considering the allocation methodology to community colleges, the office of the Chancellor of the California Community Colleges shall consider a factor that allocates additional funds to community colleges that have observed the most significant percentage declines in enrollment due to the impacts of the COVID-19 pandemic.~~

(d) In considering the allocation methodology to community college district, the chancellor shall allocate additional funds to community college districts that have the most significant declines in unduplicated student headcount since fall 2019.

(e) ~~The office of the Chancellor of the California Community Colleges~~ chancellor may allocate up to 10 percent of the funds appropriated for purposes of the program to support statewide recruitment and retention efforts.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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